

United States Courts
Southern District of Texas
FILED

May 12, 2023

Nathan Ochsner, Clerk of Court

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

4:23-cr-206

UNITED STATES OF AMERICA

Case No.

v.

Violation: 18 U.S.C. § 1349

FRANCIS SABO,

Defendant.

INFORMATION

The United States charges:

GENERAL ALLEGATIONS

At all times relevant to this Information:

The Defendant and Relevant Individuals and Entities

1. Defendant FRANCIS SABO was a resident of the Eastern District of Michigan.
2. Atlas Trading was a purported stock-trading community and had a server or online chatroom on Discord, a social-media platform. Over time, Atlas Trading's server on Discord or "Atlas Trading Discord" grew to become one of the largest stock-trading chat rooms, with over 250,000 members.
3. FRANCIS SABO held a leadership position in Atlas Trading Discord as a Moderator. FRANCIS SABO used the Discord account "Ricky Bobby 🇺🇸 #7407" in Atlas Trading Discord. FRANCIS SABO also maintained a Twitter account under a similar alias.
4. FRANCIS SABO and his co-conspirators, including Edward Constantinescu, Perry "PJ" Matlock, John Rybarczyk, Gary Deel, Stefan Hrvatin, Tom Cooperman, Mitchell Hennessey, Daniel Knight, and others, posted "alerts" or messages in Atlas Trading Discord and other social-media platforms, such as Twitter, about the securities of issuers.

COUNT ONE

**Conspiracy to Commit Securities Fraud
(18 U.S.C. § 1349)**

5. Paragraphs 1 through 4 of this Information are realleged and incorporated by reference as though fully set forth herein.

6. From at least in or around January 2020 through at least in or around June 2022, in the Southern District of Texas, and elsewhere, the defendant,

FRANCIS SABO,

did knowingly and intentionally, that is, with the intent to advance the conspiracy, combine, conspire, and agree with other individuals, known and unknown, to commit an offense against the United States, namely, securities fraud, that is, to knowingly, and with the intent to defraud, execute, and attempt to execute, a scheme and artifice (1) to defraud any person in connection with any security of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. § 78l) and that is required to file reports under Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78o(d)), and (2) to obtain, by means of materially false and fraudulent pretenses, representations, promises, and material omissions, any money and property in connection with the purchase and sale of any security of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. § 78l) and that is required to file reports under Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78o(d)), in violation of Title 18, United States Code, Section 1348.

Purpose of the Conspiracy

7. It was the purpose of the conspiracy for FRANCIS SABO and his co-conspirators, known and unknown, to unlawfully enrich themselves by pumping and dumping securities of issuers through false and misleading posts and material omissions on Atlas Trading Discord and Twitter.

Manner and Means of the Conspiracy

8. FRANCIS SABO and his co-conspirators used their social-media influence on Atlas Trading Discord and elsewhere to pump and dump securities for their own financial gain.

9. To do so, FRANCIS SABO and his co-conspirators first purchased or “loaded” a security.

10. After purchasing or “loading” the security, FRANCIS SABO and his co-conspirators sought to “pump” the price of that security by posting materially false and misleading information about the security on Atlas Trading Discord and Twitter. The false and misleading information included, for example, how long one of the conspirators planned to hold the security and the conspirator’s position in the security. As FRANCIS SABO knew at the time, these posts were false and misleading because they were intentionally designed to fraudulently induce members of Atlas Trading Discord, and other investors, to purchase a security, and thereby drive up the security’s price, so that FRANCIS SABO and his co-conspirators could then secretly sell the security at the artificially inflated price at and around the time of the false and misleading posts. FRANCIS SABO and his co-conspirators also concealed material information from members of Atlas Trading Discord, including regarding the conspirators’ to use “alerts” as a means to make money for themselves at the expense of members of Atlas Trading Discord. In this way,

FRANCIS SABO and his co-conspirators used posts on Atlas Trading Discord and elsewhere to fraudulently induce members of Atlas Trading Discord, and other investors, to purchase and hold the same securities that FRANCIS SABO and his coconspirators were selling or dumping.

11. FRANCIS SABO recognized at the time that the conspirators' false and misleading posts on Atlas Trading Discord and elsewhere resulted in financial loss to other members of Atlas Trading Discord who were fraudulently induced to purchase securities in reliance on the posts of FRANCIS SABO and his co-conspirators and were otherwise victimized by the "pump and dump."

All in violation of Title 18, United States Code, Section 1349.

By:

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